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THE FEMA DISASTER ASSISTANCE REFORM ACT OF 2015

HOUSE COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE



BACKGROUND INFORMATION



The Federal Emergency Management Agency (FEMA) coordinates the federal government’s role in preparing for, preventing, mitigating the effects of, responding to, and recovering from all domestic disasters, whether natural or man-made, including acts of terror.

Historically fragmented federal emergency and disaster activities resulted in the creation of FEMA under President Jimmy Carter in 1979, merging many separate disaster-related responsibilities into a single agency. However, the agency was never officially authorized in statute by Congress.

In March 2003, in response to the terrorist attacks of September 11, 2001, FEMA joined 22 other federal agencies, programs, and offices in becoming the Department of Homeland Security.

The devastating impacts of Hurricane Katrina in August 2005 revealed major problems with federal disaster preparedness, response, and relief efforts. In response, Congress established the “Select Bipartisan Committee to Investigate the Preparation for and Response to Hurricane Katrina,” which offered recommendations for improving coordination and addressing the issues revealed by Katrina.

On October 4, 2006, President George W. Bush signed into law the Post-Katrina Emergency Management Reform Act. The act significantly reorganized FEMA and provided it with substantial new authority to remedy gaps identified by the Select Committee that became apparent in the response to Hurricane

BACKGROUND INFORMATION CONTINUED

Katrina. These improvements included ensuring FEMA has the clear authority and capability to direct and coordinate a federal disaster response, as well as a more robust preparedness mission. This important legislation also provided the first statutory authorization of FEMA by Congress in the agency's history, providing for stronger Congressional oversight and increased accountability.

On January 29, 2013, President Barack Obama signed into law the Sandy Recovery Improvement Act (SRIA), a bill introduced by Transportation and Infrastructure Committee leaders at the beginning of last Congress. This bipartisan legislation made important disaster recovery improvements to speed up and streamline Hurricane Sandy recovery efforts and reduce costs. Streamlined procedures and increased flexibility allow applicants to recover in the manner that will best support their community, will save time and money during the recovery from Sandy and future disasters, and strengthen a community's resilience against future events.

The SRIA improvements and additional reforms will continue to be critical to recovery efforts and lowering costs, because according to numerous studies, disaster losses and federal disaster spending have increased significantly over the last 50 years. There are numerous causes that may be driving these increases, and FEMA recently acknowledged the increase in the number of extreme disaster events and increased vulnerabilities throughout the United States due to shifting demographics, aging infrastructure, land use, and construction practices. However, a comprehensive assessment of these various factors has not been performed in decades.

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The bipartisan FEMA Disaster Assistance Reform Act of 2015 establishes a comprehensive study to assess disaster costs and develop recommendations for reducing those costs, improves our Nation's emergency management capabilities and federal disaster programs, modernizes and strengthens critical components of our preparedness and response system, and supports emergency response personnel. This legislation also provides the first ever reauthorization of the agency to ensure accountability and strong Congressional oversight.

Studying Disaster Losses and Identifying Recommendations to Reduce Disaster Losses and Costs

Disaster costs and losses continue to increase and the Nation needs a complete assessment of these losses, what is driving these losses, what federal disaster assistance is available to individuals and the public and private sectors, the appropriate roles of each of those parties, and what public policy changes would result in fewer disaster losses and thus lower disaster-related costs.

Specifically, the legislation:

- Establishes a comprehensive study under the National Advisory Council, including policy recommendations to help reduce future losses.

Strengthening Accountability and Congressional Oversight

FEMA was created through an Executive Order issued by President Jimmy Carter in 1979. On October 4, 2006, President George W. Bush signed into law the Post-Katrina Emergency Management Reform Act which provided the first statutory authorization of FEMA by Congress in the agency's history. The FEMA Disaster Assistance Reform Act of 2015 continues these efforts, providing the first ever reauthorization of the agency to ensure accountability and strong Congressional oversight. Specifically, the legislation:

- Reauthorizes FEMA through Fiscal Year 2018 consistent with current funding levels.



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Supporting Emergency Response Personnel

The National Urban Search and Rescue (USAR) Response System is a framework for organizing federal, state, and local partner emergency response teams as integrated federal search and rescue task forces. The 28 National USAR Task Forces can be deployed by FEMA to assist state and local governments in rescuing victims of structural collapse incidents or to assist in other search and rescue missions. However, these team members lack the clarity on legal issues that are afforded to other federalized response teams such as the Department of Health and Human Services Disaster Medical Assistance Teams.

The Emergency Management Assistance Compact (EMAC) is a national interstate agreement approved by Congress that provides an effective avenue by which states can provide one another mutual aid in the event of a disaster. Through EMAC, a state impacted by a disaster can request and receive assistance from other member states more quickly and efficiently, by addressing concerns with regard to liability and reimbursement.

Specifically, the legislation:

- Clarifies licensing, liability, and compensation issue for USAR participants to ensure emergency response personnel can focus on the mission at hand.
- Reauthorizes EMAC Grants through FY 2018, consistent with current funding levels.



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Increasing the Efficiency and Effectiveness of Disaster Assistance Programs

FEMA administers numerous disaster assistance programs to help individuals, governments, and certain nonprofits recover from disaster impacts. The FEMA Disaster Assistance Reform Act of 2015 incorporates lessons learned from recent disasters and includes reforms to help streamline the recovery process and make programs work better for the people and communities trying to rebuild after disasters.

Specifically, the legislation:

- Raises the Public Assistance small projects threshold to \$1 million to reduce administrative costs, expedite assistance, and help communities recover more quickly.
- Establishes rates to reimburse state and local governments for the administrative costs incurred to implement disaster recovery projects, providing a fixed cap to avoid uncontrolled administrative costs.
- Reinstates a 3-year statute of limitations on FEMA's ability to reclaim funds, based on a change in policy determination, after an applicant has spent the funds on previously determined eligible projects and when there is no evidence of fraud, waste or abuse.
- Clarifies mitigation activities related to wildfires and earthquakes.



THE FEMA DISASTER ASSISTANCE REFORM ACT OF 2015 SECTION-BY-SECTION

Title I—REAUTHORIZATION OF FEMA

Section 101. Reauthorization of the Federal Emergency Management Agency.

This section reauthorizes FEMA through Fiscal Year 2018, consistent with current funding levels.

Title II – COMPREHENSIVE STUDY OF DISASTER COSTS AND LOSSES

Section 201. Comprehensive Study of Disaster Costs and Losses.

This section directs the National Advisory Council to undertake a comprehensive study into the trends related to disaster assistance, costs and losses and provide recommendations to reduce the costs related to these events.

Title III – STAFFORD ACT AND OTHER PROGRAMS

Section 301. Reauthorization of Urban Search and Rescue Response System.

This section reauthorizes the Urban Search and Rescue (USAR) Response System at \$35 million through Fiscal Year 2018, consistent with current funding levels. This section also codifies the current USAR Response System in statute and clarifies liabilities and compensation issues related to participants in the System.

Section 302. Reauthorization of Emergency Management Assistance Compact Grants.

This section reauthorizes the Emergency Management Assistance Compacts (EMAC) Grants at \$2 million each year through Fiscal Year 2018, consistent with current funding levels.

Section 303. Physical Testing Standards for Electric Utility Facilities.

This section requires FEMA to study the differences between its physical testing standards as applied to electric utility facilities as a condition for federal assistance and those of the electric utilities industry.

Section 304. Nonprofit Facilities.

This section clarifies existing eligibility of certain public broadcasting facilities for disaster assistance.

Section 305. Statute Of Limitations.

This Section reinstates the 3-year statute of limitations on FEMA's ability to reclaim funds, based on a change in policy determination, after a state or local government has spent the funds on previously-determined eligible projects and when there is no evidence of fraud, waste or abuse.

Section 306. Action Plan to Improve Field Transition.

This Section directs the Administrator of FEMA to provide a plan for the development of consistent guidance to applicants on FEMA disaster funding, the maintenance of records and transfer of information, relieving administrative burdens, and the implementation of new technology tools during disaster response and recovery operations in the field.

Section 307. Simplified Procedures.

This Section raises the Public Assistance small projects threshold to \$1 million.

Section 308. Management Costs.

This Section establishes rates to reimburse states and local government for direct and indirect administrative costs incurred to implement disaster recovery projects.

Section 309. Debts Owed to the United States Related to Disaster Assistance.

This Section re-establishes the authority to waive the collection of certain debts from individuals where it was clear that the collection of those debts would be against equity and good conscience.

Section 310. Statute of Limitations for Debts Owed to the United States Related to Disaster Assistance.

This Section re-establishes a 3-year statute of limitation for the identification and collection of funds from individuals that received disaster assistance, where there is no evidence of fraud, waste, or abuse.

TITLE IV – WILDFIRE PREVENTION AND MITIGATION

Section 401. Wildfire Assistance.

This Section authorizes mitigation funds related to fire management assistance.

Section 402. Additional Activities.

This Section clarifies the eligibility of certain mitigation activities related to wildfires and earthquakes.

